This record is a partial extract of the original cable. The full text of the original cable is not available.

020637Z Sep 03

UNCLAS HARARE 001725

SIPDIS

STATE FOR AF/S
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
USDOC FOR 2037 DIEMOND
TREASURY FOR OREN WYCHE-SHAW
PASS USTR FLORIZELLE LISER
STATE PASS USAID FOR MARJORIE COPSON

¶E. O. 12958: N/A
TAGS: ECON EINV PGOV ZI
SUBJECT: What is Zimbabwe's GDP?

¶1. Summary: Sources differ widely about Zimbabwe's present gross domestic product (GDP). It may be as low as US$3.5 billion. End Summary.

¶2. The GOZ's Central Statistical Office stopped publishing GDP figures in 1995, just before the country began its relentless downhill slide.

Misleading World Factbook Stats

¶3. The CIA's World Factbook estimates GDP at US$28 billion or US$2,400/per capita using purchasing power parity. This is wildly overstated, perhaps because the World Factbook converts Zimdollar totals at official exchange rates. However, casual Internet surfing suggests most reports, almanacs and country profiles rely solely on World Factbook numbers.

¶4. Given the unavailability of official data, local economists use a variety of means to determine GDP. There is no foolproof approach. The International Monetary Fund estimated GDP at US$6.4 billion in recent documentation arising from Article IV consultations.

¶5. Extrapolating data from the GOZ's supplementary budget announcement, we arrive at a considerably lower total. The GOZ estimates 2003 public spending at Z$1.442 trillion (US$257 million), or - the Government boasts - now just 7.3 percent of GDP. (Interestingly, foreign food assistance is almost as large as the national budget.) Although the GOZ doesn't do the math for us, it assumes a GDP of only US$3.5 billion when converting at the present parallel exchange rate of Z$5600:US$1. GDP comes to about US$24 billion when converting at the unsupported official rate of Z$824:US$1, but there is no market rationale for exchange at this level. Assuming a population of 12 million, the per capita GDP would be US$293 at parallel and US$2,000 at official exchange rates. Reading between the lines of GOZ pronouncements is an imperfect means of calculating GDP, but probably no worse than other methods floating around.

Sullivan